

STATE OF MICHIGAN
DEPARTMENT OF LICENSING & REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
MICHIGAN TAX TRIBUNAL

JBM Tecumseh MFG RE, LLC,
Petitioner,

v

MTT Docket No. 417491

City of Tecumseh,
Respondent.

Tribunal Judge Presiding
Marcus L. Abood

OPINION AND JUDGMENT

Petitioner, JBM Tecumseh MFG RE, LLC, appeals the ad valorem property tax assessment levied by Respondent, City of Tecumseh, against the real property owned by Petitioner for the 2011, 2012, and 2013 tax years.

A hearing was held on October 10, 2013, to resolve the real property tax dispute. Charles H. Gross, attorney, appeared on behalf of Petitioner. R. Scott A. Baker, attorney at Lucas & Baker, PC, appeared on behalf of Respondent. Brian P. Beaty was Petitioner's valuation witness. John R. Widmer was Respondent's valuation witness.

SUMMARY OF JUDGMENT

The subject property's 2011, 2012, and 2013 True Cash Values (TCVs), State Equalized Values (SEVs), and Taxable Values (TVs), as determined by Respondent, are:

Parcel Number	Year	TCV	SEV	TV
XTO-133-4800-00	2011	\$1,418,600	\$ 709,300	\$ 709,300
	2012	\$1,187,800	\$ 593,900	\$ 593,900
	2013	\$1,180,000	\$ 590,000	\$ 590,000

Respondent's revised contentions of the property's TCV, SEV, and TV:

Parcel Number	Year	TCV	SEV	TV
XTO-133-4800-00	2011	\$1,351,800	\$ 675,900	\$ 675,900
	2012	\$1,281,800	\$ 640,900	\$ 593,900
	2013	\$1,180,000	\$ 590,000	\$ 590,000

Petitioner's contentions of the property's TCV, SEV, and TV:

Parcel Number	Year	TCV	SEV	TV
XTO-133-4800-00	2012	\$ 380,000	\$ 190,000	\$ 190,000
	2012	\$ 400,000	\$ 200,000	\$ 200,000
	2013	\$ 420,000	\$ 210,000	\$ 210,000

The Tribunal's conclusions are:

Parcel Number	Year	TCV	SEV	TV
XTO-133-4800-00	2011	\$ 674,000	\$ 337,000	\$ 337,000
	2012	\$ 787,000	\$ 393,500	\$ 393,500
	2013	\$ 900,000	\$ 450,000	\$ 450,000

GENERAL PROPERTY DESCRIPTION

The subject property is a one-story manufacturing building located at 707 South Evans Street, City of Tecumseh, Lenawee County, Michigan. The subject site is comprised of 5 acres. It is classified as an industrial building.

SUMMARY OF PETITIONER'S CASE

Petitioner presented testimony from its appraiser, Brian Beaty. Mr. Beaty has 20 years of appraisal experience in numerous states. He has been a real estate appraiser since 1995. He has extensive field experience as well as expert testimonial experience. Therefore, based on his education and experience, the Tribunal accepted Mr. Beaty as an expert real estate appraiser.

In support of its value contentions, Petitioner offered the following exhibits, which were admitted into evidence:

P-1: CBRE Valuation Report.

P-2: SE Michigan \$/SF – All Industrial Buildings

Mr. Beaty initially inspected the subject property in March, 2013. He then inspected the property one week before trial. He described the building improvements; the property suffers in many ways. (TR, p 13) The building's clear height of 12 to 18 feet is smaller than modern buildings with typical clear heights of 20 to 24 feet. The long narrow building layout is not attractive to potential users. Next, the subject site has very little room for expansion. Two sides of the building are occupied by parking. The third side of the building faces a roadway and the fourth side faces a neighboring building. The condition of the subject improvements is old and there are signs of physical deterioration. Lastly, the subject is not freeway accessible. The subject's location is not conducive to

industrial users and customers. The largest industrial market closest to the subject is the City of Dundee.

Petitioner acknowledged the prior sale of the subject property in 2006 for \$1,061,000. The circumstances of this sale included the entire business and real estate. This sale is considered to be a fair market value transaction. Since 2006, the industrial market in southeast Michigan has declined. (Petitioner's Exhibit 2) Mr. Beaty further described the declines from the fourth quarter of 2006 to the fourth quarters of 2010, to 2011, and to 2012. (TR, p 17) Again, the remote location of Tecumseh has an impact on the subject property.

Mr. Beaty testified regarding another industrial property located across the street from the subject. This property is referred to as Tecumseh Products and is a larger building with approximately 800,000 square feet of space. This building is similar to the subject in age and location, but is otherwise incomparable. Therefore, this property was not appropriate for comparative analysis.

Petitioner argues that its comparable search focused on older, larger industrial buildings in remote locations similar to the subject. Mr. Beaty identified other competitive options for industrial space in the Tecumseh market. Specifically, he referenced an industrial park to the east of the city that has not had any industrial construction as well as a smaller industrial park just south of the city.

Petitioner considered all three approaches to value. However, the cost approach was not developed because market participants do not utilize this approach for buildings similar in age to the subject. Petitioner developed and communicated the sales comparison and income approaches to value in its appraisal report. “In valuing the subject, the Sales Comparison Approach is considered most reliable and has been given primary emphasis. A limited Income Capitalization Approach was used solely as a test of reasonableness.” (Petitioner’s Exhibit P-1, p 61)

Petitioner’s conclusions of value are \$380,000 for 2011, \$400,000 for 2012, and \$420,000 for 2013.

SUMMARY OF RESPONDENT’S CASE

Respondent presented testimony from its appraiser, John R. Widmer. In support of its value contentions, Respondent offered the following exhibits, which were admitted into evidence:

- Respondent’s Rebuttal Documents, Pages 1-68
- R-1: John Widmer’s Appraisal Report of the subject property
 - R-2: News Articles relating to Van-Rob building (formerly Lenawee Stamping)
 - R-3: Appraisal Report of 805 S. Evans Street (Prepared by Brian Beaty)
 - R-4: Bank Appraisal Report of 707 S. Evans Street (Prepared by Ryan Bissell and Marshall Brulez)
 - R-5: Internet Article relating to Van-Rob building
 - R-6: Subject Property Record Card
 - R-7: Subject Personal Property Statement

John Widmer developed and communicated an appraisal of the subject property. He has appraised a variety of commercial and industrial properties in southeast Michigan. He has been a real estate appraiser since 1996. Based on his education and experience, the Tribunal accepted Mr. Widmer as an expert real estate appraiser.

Ms. Amanda Lacelle, assessor for the City of Tecumseh, testified in regards to the record cards for the subject property.

Respondent's appraiser described the process of his engagement to undertake the appraisal assignment from the City of Tecumseh. Mr. Widmer acknowledged that values were rendered for 2011 and 2012. Based on time, cost, and minimal benefit, he recommended that a valuation for 2013 was not necessary. (TR, pp 115-116)

Mr. Widmer described his process of collecting data, with the help of Mr. Flatley, that ultimately results in the development and selection of comparable sales for the appraisal assignment. The appraisal process commences with identifying the appraisal problem with the client and intended user. Next, information is gathered/researched and the subject property is toured. The subject property was toured on June 27, 2012. Mr. Widmer described the subject as "a very, nice clean, very functional building." (TR, p 120)

Respondent contends that the Tecumseh area is not remote. This area is central to the Toledo, Detroit, Ann Arbor, Lansing, Grand Rapids, Battle Creek and Kalamazoo markets. The emphasis is on central location, not on proximity to a customer base.

Respondent described the general building layout as well as the adequacy of the loading bays. Mr. Widmer received a set of building drawings from the owner's representative. The north end of the structure was built in 1913 while the southern portion of the building includes subsequent additions. Again, Respondent views the subject building as nice and clean.

Respondent concurs with Petitioner regarding the lack of potential expansion on the subject site. The only other consideration for expansion involves the adjoining parcel that was not part of the scope of work for this appraisal assignment.

Further into the appraisal process, Mr. Widmer notes that the foundation of any valuation is the highest and best use analysis. (TR, p 127) As vacant, the highest and best use of the subject is for future development. As improved, the subject improvements contribute to value. The subject is acceptable, as improved, as an industrial building.

Respondent considered all three approaches to value. The cost approach was not developed within the appraisal report.

Respondent developed and communicated a sales comparison approach to value. Mr. Widmer analyzed eight comparable sales to the subject property. Adjustments (sequential and cumulative) were made to the comparable sales data. A condition of sale adjustment was made to sale 7 because it was a foreclosed property. No adjustments were made to the comparables for expenditures after sale. After all necessary adjustments, Mr. Widmer concluded to a 2011 value of \$1,380,000 (\$12.25 per square foot) and to a 2012 value of \$1,310,000 (\$11.63 per square foot).

Respondent contends there were no industrial sales in the City of Tecumseh or in Lenawee County that were deemed reliable for use. However, Mr. Widmer did review the Tecumseh Products property and the Van-Rob property.

Within the sales comparison approach, Respondent developed an income approach sensitivity analysis. (Respondent's Exhibit R-1, p 49) This sensitivity analysis was used as a cross-check or as a validity test to the sales comparison approach. In his final reconciliation, Mr. Widmer's conclusions of value are \$1,380,000 for 2011 and \$1,310,000 for 2012.

FINDINGS OF FACT

1. The subject property is located at 707 East Evans Street, City of Tecumseh, Lenawee County, Michigan.
2. The subject property is referenced by Parcel number XTO-133-4800-00.
3. The subject building was constructed in 1913 and has 112,382 square feet of gross building area.

4. The subject site consists of 5 acres.
5. The subject property is zoned I-1, Industrial District.
6. Both parties have furnished valuation disclosures in the form of summary appraisal reports.
7. Both parties considered all three approaches to value: the cost approach, the income approach, and the sales comparison approach.
8. Neither party developed a cost approach to value.
9. Both parties developed an income approach as a check of reasonableness to the sales comparison approach. Moreover, both parties place full weight and consideration on their respective sales comparison approaches to value.
10. Petitioner's sales comparison approaches analyze a total of 9 sales.
11. Respondent's sales comparison approaches analyze a total of 8 sales.
12. Respondent did not develop and communicate an opinion of value for 2013. (TR, pp 115-116)
13. Petitioner's appraiser data search is based on sales data developed internally by CBRE employees. Similarly, Mr. Beaty relies on the verification of other appraisers and brokers within CBRE for his data analysis. (TR, pp 51 and 62)
14. The entity CBRE did not sign Petitioner's appraisal report. Mr. Beaty signed Petitioner's appraisal report. Mr. Beaty is singularly and solely responsible for the opinions, analyses, and conclusions within the appraisal report.
15. Petitioner's appraiser denotes sale 7 as being superior to the subject in age and condition. In rebuttal evidence, he did not account for millions of dollars in repairs made to this sale. (TR, pp 56-57)
16. Petitioner's appraiser did not appraise the subject property prior to this tax appeal appraisal. However, another appraiser within CBRE appraised the subject property for banking purposes. (TR, pp 26-27)
17. Petitioner's appraiser's market analysis includes existing industrial space in the Tecumseh area provided by Costar that was not verified by Mr. Beaty. (TR, pp 42-43)
18. Petitioner's appraiser reports an incorrect sale date and seller for sale 2 within his report. He was unaware of contamination and use restrictions to this sale. (TR, pp 48-50)
19. Petitioner describes the subject property as having an inferior location, inferior ceiling heights, and no room for site expansion. (TR, pp 13-14).
20. Petitioner describes the subject improvements as fair-average condition (Petitioner's Exhibit P-1, p 24) and average condition (Petitioner's Exhibit, P-1, p 23)

21. Respondent describes the subject improvements as “. . . very nice, clean, very functional industrial building.” (TR, p 120)
22. Due to the lack of sales data in the subject market area, both parties utilize comparable sales data in other areas of the state.
23. In testimony, Petitioner’s appraiser revised and corrected market conditions (time) adjustments to its comparable sales data. (TR, pp 75-77) The revised adjustments do not change Mr. Beaty’s conclusions of value.
24. Petitioner’s market conditions (time) adjustments reflect an upward appreciating market for the years under appeal.
25. Respondent’s market conditions (time) adjustments reflect a downward depreciating market for the years under appeal.
26. Respondent’s appraiser acknowledges his variance of 51% to his comparable unit pricing. (TR, p 141)
27. Respondent’s appraiser does not disclose his interior observations of any comparable sales that he analyzes. (TR, p 143)
28. All of Respondent’s comparable sales are adjusted downward. In other words, the sales are not bracketed to the subject. Further, all of Respondent’s comparable sales are superior to the subject in age/condition.
29. Respondent’s reconciled values for 2011 and 2012 are based on average prices per square foot.

APPLICABLE LAW

The assessment of real and personal property in Michigan is governed by the constitutional standard that such property shall not be assessed in excess of 50% of its true cash value.

The legislature shall provide for the uniform general ad valorem taxation of real and tangible personal property not exempt by law. The legislature shall provide for the determination of true cash value of such property; the proportion of true cash value at which such property shall be uniformly assessed, which shall not . . . exceed 50 percent. . . Const 1963, art 9, sec 3.

The Michigan Legislature has defined “true cash value” to mean:

. . . the usual selling price at the place where the property to which the term is applied is at the time of assessment, being the price that could be obtained for the property at private sale, and not at auction sale except as otherwise provided in this section, or at forced sale. MCL 211.27(1)

The Michigan Supreme Court has determined that “true cash value” is synonymous with “fair market value.” See *CAF Investment Co v State Tax Comm*, 392 Mich 442, 450; 221 NW2d 588 (1974).

A proceeding before the Tax Tribunal is original, independent and de novo. MCL 205.735a(2). The Tribunal’s factual findings must be supported by competent, material, and substantial evidence. See *Antisdale v Galesburg*, 420 Mich 265, 277; 362 NW2d 632 (1984); *Dow Chemical Co v Dept of Treasury*, 185 Mich App 458, 462-463; 462 NW2d 765 (1990). “Substantial evidence must be more than a scintilla of evidence, although it may be substantially less than a preponderance of the evidence.” *Jones & Laughlin Steel Corp v City of Warren*, 193 Mich App 348, 352-353; 483 NW2d 416 (1992).

“The petitioner has the burden of proof in establishing the true cash value of the property.” MCL 205.737(3). “This burden encompasses two separate concepts: (1) the burden of persuasion, which does not shift during the course of the hearing; and (2) the burden of going forward with the evidence, which may shift to the opposing party.” *Jones & Laughlin, Supra* at 354-355.

Under MCL 205.737(1), the Tribunal must find a property's true cash value in determining a lawful property assessment. *Alhi Dev Co v Orion Twp*, 110 Mich App 764, 767; 314 NW2d 479 (1981). The Tribunal is not bound to accept either of the parties' theories of valuation. See *Teledyne Continental Motors v Muskegon Twp*, 145 Mich App 749, 754; 378 NW2d 590 (1985). The Tribunal may accept one theory and reject the other, it may reject both theories, or it may utilize a combination of both in arriving at its determination. See *Meadowlanes Ltd Dividend Housing Ass'n*, 437 Mich 473, 485-486; 473 NW2d 636 (1991).

The three most common approaches to valuation are the capitalization of income approach, the sales comparison or market approach, and the cost-less-depreciation approach. See *Meadowlanes*, at *Supra* 484-485; *Pantlind Hotel Co v State Tax Comm*, 3 Mich App 170; 141 NW2d 699 (1966), *aff'd* 380 Mich 390 (1968). The Tribunal is under a duty to apply its own expertise to the facts of the case to determine the appropriate method of arriving at the true cash value of the property, utilizing an approach that provides the most accurate valuation under the circumstances. See *Antisdale, Supra* at 277.

CONCLUSIONS OF LAW

Petitioner considered all three approaches to value, but only developed the sales and income approaches to value. Respondent considered all three approaches to value, but only developed the sales and income approaches to value in its

appraisal report. Each appraiser concluded that primary weight and consideration is given to the sales comparison approach to value. The appraisers were charged with determining the market value of the subject property for the three years under appeal.

Petitioner's sales comparison analysis provides a general framework and basis to arrive at a true cash value for the subject property. Petitioner's comparative analysis consists of five comparable sales (for each year) analyzed on the basis of a unit of comparison. Mr. Beaty analyzes the sales data quantitatively and qualitatively. However, the research and analysis was amply questioned by Respondent. Mr. Beaty's reliance on information from other CBRE employees does not coincide with his signed certification. Mr. Beaty denotes that CBRE collected, inspected, reviewed, and analyzed data. (Petitioner's Exhibit, P-1, pp 20-21) The entity CBRE is not an individual: CBRE did not sign and attest to Petitioner's appraisal report. Mr. Beaty's reliance on internal CBRE protocol does not alleviate the responsibilities of his signed certification. The responsibilities to inspect, review, analyze, and verify data is ultimately up to the appraiser that signs the appraisal report. "The verification process also provides the appraiser with an opportunity to obtain accurate information about the property and to better

understand the attitudes and motivations of the buyer and seller.”¹ As noted in the findings of fact, Petitioner lacks verification of its sales data that results in additional sales information that Petitioner was unaware of. Further, Petitioner’s appraiser testified to revisions for its market conditions (time) adjustments to its comparable sales. Therefore, the Tribunal accepts Petitioner’s comparable sales, but places no weight on Petitioner’s analytical adjustments.

Respondent’s sales comparison analysis also provides a general framework and basis to arrive at a true cash value for the subject property. Respondent’s comparative analysis consists of seven comparable sales for 2011 and six sales for 2012. Mr. Widmer analyzes the sales data with sequential and cumulative adjustments. However, the research and analysis was amply questioned by Petitioner. As noted in the findings of fact, all of Respondent’s sales are adjusted downward to the subject. In other words, Respondent does not have any sales that adjust upward to the subject. This is striking given Respondent’s testimony that the subject improvements are clean, very nice, and are quite functional. In contrast, Respondent’s adjustment grids say otherwise. All eight comparable sales are adjusted downward to the subject for superior age and condition. Respondent’s positive description of the subject contradicts the downward adjustments to the

¹ Appraisal Institute, *The Appraisal of Real Estate*, (Chicago: 14th ed, 2013), p 125.

comparable sales. Next, Respondent's description of location adjustments is confusing. The argument that location adjustments should not be analyzed on the basis of geographical proximity is misplaced. (TR, p 148) Further, Mr. Widmer's testimony regarding the central location of the subject to several cities in Michigan is not persuasive. The emphasis is not necessarily on geographic proximity, but is based on geographical comparability. Mr. Widmer's adjustment grid presentation for differences in location with sub-entries of municipality, infrastructure, external influences, and use/zoning is less than meaningful. Lastly, Respondent's indications of value for 2011 and 2012 result in averaged (rounded) prices per square foot. The technique of averaging adjusted prices per square foot is not acceptable. The reconciliation of approaches is similar to the reconciliation of rental and sales data. Reconciliation is an appraiser's opportunity to fill in gaps and to prove overall logic and reasoning for the value conclusions. In this instance, Respondent's sales data, even after adjustments, indicates a given range in adjusted sales prices. The strengths and weaknesses of each comparable sale are examined for reliability and appropriateness. Given the variations in Respondent's sales comparison data, averaging to arrive at a price per square foot, is not logical or reasonable. The reconciliation of sales does not merely result from an average of adjusted sales prices. "The sales comparison approach is not formulaic. It does not lend itself to detailed mathematical precision. Rather, it is based on judgment

and experience as much as quantitative analysis.”² Overall, Mr. Widmer’s testimony was long-winded and disjointed especially for his reasoning in not developing a conclusion of value for 2013. Therefore, in like fashion, the Tribunal accepts Respondent’s comparable sales, but is not persuaded by Respondent’s analysis, adjustments, and reconciliation (based on an average price per square foot).

Based on the parties’ combined comparable sales data, a meaningful qualitative analysis is attainable. The parties’ quantitative adjustments are not credible, but are indicative of comparison differences. The Tribunal is able to analyze these differences through a relative comparison analysis and a ranking analysis.³

For the 2011 valuation, Petitioner’s sale 1 and Respondent’s sales 1, 2, and 3 are omitted. These sales occurred in 2009 and are not relevant for this valuation date. Further, Petitioner’s sale 2 is not appropriate for analysis based on Respondent’s rebuttal evidence correcting the sales date, sales price and transacting parties. Petitioner’s sale 7 is not appropriate for analysis based on Respondent’s rebuttal evidence showing major repairs/expense to this property. The Tribunal will utilize the remaining identified sales as noted in each of the

² Appraisal Institute, *The Appraisal of Real Estate*, (Chicago: 14th ed, 2013), p 394.

³ *Id.*, pp 403-404.

parties’ adjustment grids for 2011. The following grid analysis illustrates differences with inferior and superior rankings.

Sale #	Pet 3	Pet 4	Pet 5	Resp 4	Resp 5	Resp 6	Resp 7
Subject Tecumseh	503 S. Shiawassee Corunna	2101 Industrial Niles	147 E. 6 th Street Holland	471 E. 40 th St Holland	421 N. Cent’l Zeeland	620 S. Platt Rd. Milan	291 Squires Milan
Sale Price	\$350,000	\$415,000	\$200,000	\$1,258,453	\$1,285,000	\$5,400,000	\$505,000
Sale date	June, 2010	Sept, 2010	Jan, 2011	October, 2010	Nov, 2010	Dec., 2010	Dec., 2010
\$/SF	\$2.92	\$5.05	\$2.62	\$13.26	\$16.02	\$16.19	\$13.04
Location	Similar	Similar	Similar	Similar	Similar	Superior	Superior
Size	Similar	Similar	Similar	Similar	Similar	Inferior	Superior
Age/Cond	Similar	*Inferior	Inferior	Superior	Superior	Superior	Superior
Quality	Inferior	Similar	Similar	Superior	Inferior	Superior	Inferior
Clear Hght	Superior	Superior	Superior	Similar	Similar	Inferior	Superior
Office Fin	Inferior	Similar	Similar	Inferior	Inferior	Inferior	Superior
Lnd/Bld Ratio	Similar	Similar	Inferior	Similar	Similar	Superior	Superior
Overall Ranking	Inferior	Inferior	Inferior	Superior	Superior	Superior	Superior

All of the comparable sales are relatively close to the December 31, 2010 tax day. Petitioner’s sale 4 has the most similar characteristics to the subject.

Petitioner’s adjustment grid denotes sale 4 as being superior to the subject in age/condition. (Petitioner’s Exhibit, P-1, p 47) However, Petitioner describes sale 4 as having poor condition office space (Petitioner’s Exhibit, P-1, p 45) The Tribunal will consider sale 4’s overall condition as inferior to the subject.

Respondent’s sales 6 and 7 are least similar to the subject in location and land/building ratio. Petitioner’s sales 3, 4, 5, and Respondent’s sales 4 and 5 are the most similar to the subject in location and size. The comparable sale prices are ranked relative to the subject.

SUPERIOR	Respondent's Sale 6	\$16.19/SF
SUPERIOR	Respondent's Sale 5	\$16.02/SF
SUPERIOR	Respondent's Sale 4	\$13.26/SF
SUPERIOR	Respondent's Sale 7	\$13.04/SF
	SUBJECT	
INFERIOR	Petitioner's Sale 4	\$5.05/SF
INFERIOR	Petitioner's Sale 3	\$2.92/SF
INFERIOR	Petitioner's Sale 5	\$2.62/SF

The comparable sales are bracketed to the subject in all line-item characteristics. Therefore, a reasoned and reconciled true cash value from the parties' comparable sales data is \$6.00 per square foot or \$674,000 (rounded) for 2011.

For the 2012 valuation, Respondent's sale 3 is omitted. This sale occurred in 2009 and is not relevant for this valuation date. Further, Petitioner's sale 7 is not appropriate for analysis based on Respondent's rebuttal evidence showing major repairs/expense to this property. The Tribunal will utilize the remaining identified sales as noted in each of the parties' adjustment grids for 2012. The following grid analysis illustrates differences with inferior and superior rankings.

	Pet 3	Pet 4	Pet 5	Pet 6	Resp 4	Resp 5	Resp 6	Resp 7	Resp 8
Subject	503 S. Shiawassee Corunna	2101 Industrial Niles	147 E. 6 th Street Holland	381 Melvin St Crosswell	471 E. 40 th St Holland	421 N. Cent'l Zeeland	620 S. Platt Rd. Milan	291 Squires Milan	10845 Chicago Holland
Sale Price	\$350,000	\$415,000	\$200,000	\$295,000	\$1,258,453	\$1,285,000	\$5,400,000	\$505,000	\$1,000,000
Sale date	June, 2010	Sept, 2010	Jan, 2011	June, 2011	October, 2010	Nov, 2010	Dec., 2010	Dec., 2010	Aug, 2011
\$/SF	\$2.92	\$5.05	\$2.62	\$5.90	\$13.26	\$16.02	\$16.19	\$13.04	\$18.02
Location	Similar	Similar	Similar	Similar	Similar	Similar	Superior	Superior	Similar
Size	Similar	Similar	Similar	Superior	Similar	Similar	Inferior	Superior	Superior
Age/Con	Similar	*Inferior	Inferior	*Similar	Superior	Superior	Superior	Superior	Superior
Quality	Inferior	Similar	Similar	Similar	Superior	Inferior	Superior	Inferior	Superior
Ceiling Hght	Superior	Superior	Superior	Similar	Similar	Similar	Inferior	Superior	Superior
Off Fin	Inferior	Similar	Similar	Inferior	Inferior	Inferior	Inferior	Superior	Superior
Land-Bldg Ratio	Similar	Similar	Inferior	Similar	Similar	Similar	Superior	Superior	Superior
Overall Ranking	Inferior	Inferior	Inferior	Inferior	Superior	Superior	Superior	Superior	Superior

Petitioner’s sales 5 and 6, and Respondent’s sale 8, are relatively close to the December 31, 2011 tax day. Petitioner’s sale 4 has the most similar characteristics to the subject. Petitioner’s adjustment grid denotes sales 4 and 6 as being superior to the subject in age/condition. (Petitioner’s Exhibit, P-1, p 51) However, Petitioner describes sale 4 as having poor condition office space and sale 6 as being in average condition. (Petitioner’s Exhibit, P-1, p 50) The Tribunal will consider sale 4’s overall condition as inferior and sale 6’s condition as similar to the subject. Respondent’s sales 7 and 8 are superior to the subject in most characteristics and are given least consideration in the determination of true cash value. Petitioner’s sales 3, 4, 5, and Respondent’s sales 4 and 5 are the most similar to the subject in location and size. The comparable sale prices are ranked

relative to the subject. The comparable sale prices are ranked relative to the subject.

SUPERIOR	Respondent's Sale 8	\$18.02/SF
SUPERIOR	Respondent's Sale 6	\$16.19/SF
SUPERIOR	Respondent's Sale 5	\$16.02/SF
SUPERIOR	Respondent's Sale 4	\$13.26/SF
SUPERIOR	Respondent's Sale 7	\$13.04/SF
	SUBJECT	
INFERIOR	Petitioner's Sale 6	\$5.90/SF
INFERIOR	Petitioner's Sale 4	\$5.05/SF
INFERIOR	Petitioner's Sale 3	\$2.92/SF
INFERIOR	Petitioner's Sale 5	\$2.62/SF

The comparable sales are bracketed to the subject in all line-item characteristics. Therefore, a reasoned and reconciled true cash value from the parties' comparable sales data is \$7.00 per square foot or \$787,000 (rounded) for 2012.

For the 2013 valuation, Petitioner's sale 7 is not appropriate for analysis based on Respondent's rebuttal evidence showing major repairs/expense to this property. The Tribunal will utilize the remaining identified sales as noted in Petitioner's adjustment grid for 2013. Again, Respondent has not developed an opinion of value for 2013; however, Respondent's sale 8 will be utilized. This sale sold in 2011 and will aid in bracketing sales data for this valuation year. The following grid analysis illustrates differences with inferior and superior rankings.

Sale #	Pet 5	Pet 6	Pet 8	Pet 9	Resp 8
Subject Tecumseh	147 E. 6 th Street Holland	381 Melvin St Croswell	2121 Latimer Muskegon	1450 McPherson Howell	10845 Chicago Holland
Sale Price	\$200,000	\$295,000	\$974,000	\$825,000	\$1,000,000
Sale date	Jan, 2011	June, 2011	Pending	Pending	Aug, 2011
\$/SF	\$2.62	\$5.90	\$4.88	\$4.85	\$18.02
Location	Similar	Similar	Similar	Superior	Similar
Size	Similar	Superior	Similar	Similar	Superior
Age/Cond	Inferior	*Similar	Superior	Inferior	Superior
Quality	Similar	Similar	Similar	Inferior	Superior
Ceil Hght	Superior	Similar	Superior	Superior	Superior
Off Fin	Similar	Inferior	Inferior	Inferior	Superior
Land-Bldg Ratio	Inferior	Similar	Similar	Superior	Superior
Overall Ranking	Inferior	Inferior	Inferior	Inferior	Superior

Petitioner's adjustment grid denotes sale 6 as being superior to the subject in age/condition. (Petitioner's Exhibit, P-1, p 56) However, Petitioner describes sale 6 as being in average condition. (Petitioner's Exhibit, P-1, p 50) The Tribunal will consider sale 6's condition as similar to the subject. Petitioner's sales 8 and 9 were pending sales; both sales are considered inferior to the subject based on their pending sales transactions as well as an overall lack of meaningful explanatory narration by Petitioner's appraiser. The comparable sale prices are ranked relative to the subject.

SUPERIOR	Respondent's Sale 8	\$18.02/SF
	SUBJECT	
INFERIOR	Petitioner's Sale 6	\$5.90/SF
INFERIOR	Petitioner's Sale 8	\$4.88/SF
INFERIOR	Petitioner's Sale 9	\$4.85/SF
INFERIOR	Petitioner's Sale 5	\$2.62/SF

The comparable sales are bracketed to the subject in all line-item characteristics. Therefore, a reasoned and reconciled true cash value from the parties' comparable sales data is \$8.00 per square foot or \$900,000 (rounded) for 2011.

The Tribunal finds that the sales comparison data from both parties shows that the subject property was over-assessed for the tax years under appeal. As such, and in light of the above, the Tribunal finds that Petitioner has succeeded in meeting its burden of going forward with competent evidence on the issue of true cash value, state equalized value, and taxable value. The parties' sales comparable data is germane to render reconciled value conclusions for the 2011, 2012, and 2013 tax years at issue and, as such, the Tribunal finds data within the parties' sales comparison approaches is sufficient to reconcile the independent determination of values, indicated herein.

JUDGMENT

IT IS ORDERED that the subject property's true cash, state equalized, and taxable values for the 2010, 2011, and 2012 tax years are those shown in the "Summary of Judgment" section of this Opinion and Judgment.

IT IS FURTHER ORDERED that the officer charged with maintaining the assessment rolls for the tax years at issue shall correct or cause the assessment rolls to be corrected to reflect the assessed and taxable values in the amounts as finally shown in the "Summary of Judgment" section of this Opinion and Judgment, subject to the processes of equalization, within 20 days of the entry of this Opinion and Judgment. To the extent that the final level of assessment for a given year has not yet been determined and published, the assessment rolls shall be corrected once the final level is published or becomes known.

IT IS FURTHER ORDERED that the officer charged with collecting or refunding the affected taxes shall collect taxes and any applicable interest or issue a refund as required by this Opinion and Judgment within 20 days of the entry of this Opinion and Judgment. If a refund is warranted, it shall include a proportionate share of any property tax administration fees paid and of penalty and interest paid on delinquent taxes. The refund shall also separately indicate the amount of the taxes, fees, penalties, and interest being refunded. A sum determined by the Tribunal to

have been unlawfully paid shall bear interest from the date of payment to the date of judgment and the judgment shall bear interest to the date of its payment. A sum determined by the Tribunal to have been underpaid shall not bear interest for any time period prior to 28 days after the issuance of this Order. Pursuant to 1995 PA 232, interest shall accrue (i) after December 31, 2008, at the rate of 3.31% for calendar year 2009, and (ii) after December 31, 2009, at the rate of 1.23% for calendar year 2010, (iii) after December 31, 2010, at the rate of 1.12% for calendar year 2011, (iv) after December 31, 2011, and prior to July 1, 2012, at the rate of 1.09% for calendar year 2012, and (v) after June 30, 2012, and prior to January 1, 2014, at the rate of 4.25%.

This Final Opinion and Judgment resolves all pending claims in this matter and closes this case.

Entered:

By: Marcus L. Abood